discussions on financial and economic development and the global efforts to combat terrorist financing;

(b) if so, whether these discussions were part of the enhanced US-India Economic dialogue;

(c) what was the outcome of the talks held and what is the latest position so far achieved by discussing these issues; and

(d) by when a final agreement is likely to be reached?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Yes, Sir.

(c) and (d) Various macro-economic issues, fiscal situation, fiscal responsibility legislation, issues relating to financial sector, and combating financing of terrorism were discussed. Certain areas for cooperation in future were identified. These include, strengthening tax administration, sharing of experience in Asset Reconstruction Companies (ARCs) and convergence of capital and commodity markets, pension reforms etc.

The objective of the Forum is to strengthen the financial and economic relationship between India and the United States of America through regular contact between economic policy-makers from both the countries. It is a continuing dialogue.

Development aid by World Bank

*111. DR. T. SUBBARAMI REDDY:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether India has made out a compelling case for increasing development aid in order to eliminate poverty and strengthen country's literacy and health programmes under the millennium development goals;

(b) if so, whether the Indian delegation defended the plea before IMF and World Bank for increased aid flows;

(c) if so, to what extent both World Bank and IMF have agreed to provide more assistance in view of good performance shown by India in these sectors; and

(d) what is the total aid both World Bank and IMF have agreed to provide for further implementation of the plan?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Yes, Sir.

(c) and (d) World Bank has proposed to upscale its assistance to India. IMF does not lend for development activities, *per se*, but only for structural adjustment purposes for countries facing external imbalances. India has not availed of any assistance from IMF since 1993.

Commercial production of bio-diesel

*112. SHRI R.P. GOENKA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any detailed studies have been undertaken to explore the possibility of commercial production of bio-diesel, derived from certain plants like 'Jatropha', 'Pungam' etc. which can be grown even in wastelands, for use as alternative fuel to petro-diesel like LNG, CNG etc.;

(b) if so, the details thereof;

(c) whether it is a fact that a number of other countries like Canada, the US and some European countries have already undertaken major bio-diesel programmes to identify and develop high yielding varieties of plants and also for its use in transport vehicles etc.; and

(d) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) Bio-diesel, a diesel fuel substitute, is made from vegetable oils (both edible & non-edible) and animal fats. Studies have been undertaken to explore the possibiity of production of bio-diesel from non-edible oils like *Jatropha curcas and Pongomia*. The Ministry of Rural Development has been made the nodal Ministry to implement the National mission on Bio-diesel, and that Ministry has informed that a detailed project report is being prepared by The Energy Research Institute (TARI) for the purpose.

At present, field trials are being conducted by oil marketing companies to use bio-diesel and diesel blend on buses in collaboration with Haryana Roadways and with Brihanmumbai Electric Supply and Transport Undertaking (BEST), Mumbai. Field trials and engine tests on locomotives are also in progress. If the field trials establish the efficacy